

84TH CONGRESS 1st Session	} HOUSE OF REPRESENTATIVES	{ REPORT No. 1071
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MUTUAL SECURITY ACT OF 1955

JULY 6, 1955.—Ordered to be printed

Mr. RICHARDS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 2090]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2090) to amend the Mutual Security Act of 1954, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 10 and 11.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 24½, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, and 47, and agree to the same.

Amendment numbered 20:

That the Senate recede from its disagreement to the amendment of the House numbered 20, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

(b) *In section 402, which relates to the sale of surplus agricultural commodities, strike out "not less than \$350,000,000" and insert in lieu thereof "for the fiscal year 1956, not less than \$300,000,000".*

And the House agree to the same.

Amendment numbered 35:

That the Senate recede from its disagreement to the amendment of the House numbered 35, and agree to the same with an amendment as follows:

On page 5 of the House engrossed amendments, insert quotation marks at the end of line 9, and strike line 10 and all that follows through line 7 on page 6; and the House agree to the same.

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Amendment numbered 46:

That the Senate recede from its disagreement to the amendment of the House numbered 46, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"(b) It is the sense of the Congress that assistance under this Act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence."

And the House agree to the same.

JAS. P. RICHARDS,
THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
JOHN M. VORYS,
WALTER H. JUDD,
Managers on the Part of the House.

J. W. FULBRIGHT,
JOHN SPARKMAN,
MIKE MANSFIELD,
H. ALEXANDER SMITH,
BOURKE B. HICKENLOOPER,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2090) to amend the Mutual Security Act of 1954, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

REDUCTION IN MILITARY AUTHORIZATION

Amendment No. 1: The managers on the part of the Senate accepted the authorization for \$1,133,000,000 for direct military assistance, a reduction of \$145,000,000 from the Senate bill. The conferees were not disposed to leave in any item as a reserve for contingencies in view of the unsatisfactory explanations given both Houses as to the present status of the program.

The conferees were influenced by the gyrations in the estimates of unobligated balances made by the executive branch during and since the presentation of this bill in both Houses.

Since August 26, 1954, section 1311 of the Supplemental Appropriation Act of 1955 has defined "valid obligations" for use in any statement of obligation of funds furnished to Congress or any committee thereof. Thus this section 1311 was no mere technicality, to be applied solely to appropriations; no change in section 1311 has been requested by the agencies, and there has been ample time for the executive agencies to adopt this required procedure in presenting this program to Congress this year.

The conferees were shocked at the wholesale "reservations" reported to have been made in the Defense Department during the last few days of the fiscal year, in order to "save" their appropriations from "losses" under section 1311. The loss of \$275,000,000 through failure to obligate or reserve during this rush period is now being called a "saving" by the agencies.

All of the conferees believe that prompt study and action is necessary by Congress and the Executive to prevent precipitate, and probably unjustified, obligating of funds to avoid deauthorizing or rescission of appropriations. We believe it would be helpful and we urge that the Congress adopt procedures that will give immediate rather than remote control in gearing spending in a fiscal year more closely to the annual appropriations. Making annual contract authorizations for future spending, as was the practice for many years, instead of appropriations for future contracts, would tend to accomplish this purpose.

The committee of conference agreed that the annual Mutual Security authorizing legislation should be submitted to the Congress earlier than has been the case in recent years, preferably by February 1.

SPAIN

Amendments Nos. 9 and 10: The Senate receded from its disagreement to amendment No. 9, and the House receded from amendment No. 10. The conferees accepted the House figure of \$92,000,000, an increase of \$22,000,000 over the Senate figure of \$70,000,000, and deleted the language earmarking \$50,000,000 for Spain. The committee of conference, however, expresses its unanimous view that at least \$50,000,000 of the total amount should, after satisfactory negotiation and agreement, be used for assistance to Spain.

GREECE

Amendment No. 11: The House receded from its amendment No. 11, but the conferees are unanimous that, subject to satisfactory negotiation and agreement, the defense support for Greece in fiscal year 1956 should not be less than that available in fiscal year 1955.

SURPLUS AGRICULTURAL COMMODITIES

Amendment No. 20: The managers on the part of the House accepted the provision in the Senate bill requiring that \$300,000,000 of the funds authorized be used to finance the export and sale for foreign currencies of United States surplus agricultural commodities, with a clarifying amendment. The House amendment provided for a cumulative total of \$600,000,000 of such exports, including \$350,000,000 for fiscal 1955 and \$250,000,000 for fiscal 1956.

It was the judgment of the committee of conference that this increased requirement for the utilization of United States surplus farm products in the mutual security program could be met without impairing the effectiveness of the program.

INTERGOVERNMENTAL COMMITTEE FOR EUROPEAN MIGRATION AND
NATO CIVILIAN HEADQUARTERS

Amendments Nos. 21 and 24: The Senate receded from its disagreement to amendments Nos. 21 and 24, which delete the authorizations for ICEM and NATO. The committee of conference emphasizes that the deletions were made because present law contains continuing authorizations of appropriations for United States contributions to ICEM and NATO and, therefore, further authorization is unnecessary. The committee of conference also emphasizes that the deletions do not constitute any reflection on the need for appropriations for ICEM and for NATO.

JOINT COMMISSION ON RURAL DEVELOPMENT

Amendment No. 35: The House receded from the language proposed in its amendment to the Senate bill. The United States presently enjoys close cooperation with the Philippine Government in many fields of activities, including rural development. Information available to the committee of conference, which was not available when the House considered the section, indicates that both the American and the Philippine Governments now have serious doubts as to whether such a plan as that anticipated in the section is the best way to deal

with this problem at the present time. The subject requires considerably more study and discussion before final decision can be made on an intergovernmental basis.

COLONIALISM

Amendment No. 46: The Senate receded from its disagreement to amendment No. 46 and accepted the House language on colonialism with a clarifying amendment which is in keeping with the purpose and objectives of the House language.

JAS. P. RICHARDS,
THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
JOHN M. VORYS,
WALTER H. JUDD,

Managers on the Part of the House.

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